Changes to legislation: *Commission Delegated Regulation (EU) No 481/2014 is up to date with all changes known to be in force on or before 15 December 2020. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes

COMMISSION DELEGATED REGULATION (EU) No 481/2014

of 4 March 2014

supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal[(1)], and in particular Article 18(1) thereof,

Whereas:

(1) Pursuant to Article 18(1) of Regulation (EU) No 1299/2013, it is necessary to lay down specific rules on eligibility of expenditure for cooperation programmes with regard to staff costs, office and administrative expenditure, travel and accommodation costs, external expertise and services costs and equipment expenditure (hereinafter 'expenditure categories').

(2) To allow flexibility in the application of the eligibility rules to cooperation programmes Member States participating in a given cooperation programme should be allowed to decide that a given expenditure category does not apply to a specific priority axis of a given cooperation programme.

(3) It should be specified how the specific rules on eligibility of expenditure for cooperation programmes laid down in this Regulation fit into the general legal framework on eligibility rules applicable to all ESI Funds as set out in Articles 65 to 71 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council[(2)].

(4) For each expenditure category, a list of different expenditure elements should be set out.

(5) It should be clarified that, as a general rule, gifts are ineligible. However, the distribution of small items related to promotion, communication, publicity or information should be eligible.

(6) The different elements of staff costs should be determined, together with rules on the calculation, accounting and reimbursement of staff costs in general and of part-time assignment or service contracts on an hourly basis in particular.

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(7) The different elements of office and administrative expenditure should be listed, together with rules on the calculation, accounting and reimbursement of such cost elements either as direct or indirect costs, in particular where combined with flat rates under Regulation (EU) No 1303/2013.

(8) The different elements of travel and accommodation costs should be listed, together with rules on the calculation, accounting and reimbursement regardless of whether such expenditure is incurred by the beneficiary or directly by its staff. The conditions under which travel and accommodation costs should be accounted for if spent outside the Union part of the programme area as referred to in Article 20 of Regulation (EU) No 1299/2013 should also be clarified.

(9) The different elements of external expertise and service costs should be listed.

(10) The different elements of equipment expenditure should be listed, together with rules on the eligibility of second-hand equipment.

(11) In order to allow for the prompt application of the measures provided for in this Regulation, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*,

HAS ADOPTED THIS REGULATION:

Article 1

Subject matter and scope

1 Without prejudice to the eligibility rules laid down in or on the basis of Articles 65 to 71 of Regulation (EU) No 1303/2013, this Regulation sets out specific rules on eligibility of expenditure for cooperation programmes with regard to the following expenditure categories:

a staff costs;
b office and administrative expenditure;
c travel and accommodation costs;
d external expertise and services costs; and
e equipment expenditure.

2 The participating Member States in the monitoring committee of a cooperation programme may agree that, expenditure falling under one or more of the categories referred to in paragraph 1 shall not be eligible under one or more priority axes.

Article 2

General provisions

1 Any expenditure eligible in accordance with this Regulation, paid by or on behalf of the beneficiary, shall relate to the costs of initiating or initiating and implementing an operation or part of an operation

2 The following costs are not eligible:

a fines, financial penalties and expenditure on legal disputes and litigation;

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b costs of gifts, except those not exceeding EUR 50 per gift where related to promotion, communication, publicity or information;

c costs related to fluctuation of foreign exchange rate.

Article 3

Staff costs

1 Expenditure on staff costs shall consist of gross employment costs of staff employed by the beneficiary in one of the following ways:

a full time;

b part-time with a fixed percentage of time worked per month;

c part-time with a flexible number of hours worked per month; or

d on an hourly basis.

2 Expenditure on staff costs shall be limited to the following:

a salary payments related to the activities which the entity would not carry out if the operation concerned was not undertaken, fixed in an employment/work contract, an appointment decision (both hereinafter referred to as 'employment document') or by law, relating to responsibilities specified in the job description of the staff member concerned;

b any other costs directly linked to salary payments incurred and paid by the employer, such as employment taxes and social security including pensions as covered by Regulation (EC) No 883/2004 of the European Parliament and of the Council[(3)] provided that they are:

(i) fixed in an employment document or by law;

(ii) in accordance with the legislation referred to in the employment document and with standard practices in the country and/or organisation where the individual staff member is actually working; and

(iii) not recoverable by the employer.

With regard to point (a), payments to natural persons working for the beneficiary under a contract other than an employment/work contract may be assimilated to salary payments and such a contract considered as an employment document.

[[F1]3 Staff costs may be reimbursed either:

(i) in accordance with point (a) of Article 67(1) of Regulation (EU) No 1303/2013 (as proven by the employment document and payslips); or

(ii) in the form of standard scales of unit costs in accordance with point (b) of Article 67(1), with paragraph (2), the first subparagraph of paragraph (3) and paragraph (4) of Article 68a of that Regulation; or

(iii) in the form of lump sums in accordance with point (c) of Article 67(1); or

(iv) in the form of flat-rate financing in accordance with point (d) of Article 67(1) and with Article 68a(1) of that Regulation.**]**

4 Staff costs related to individuals who work on part-time assignment on the operation, shall be calculated as either:

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[F1a a fixed percentage of the gross employment costs in accordance with Article 68a(5) of Regulation (EU) No 1303/2013; or**]**

b a flexible share of the gross employment cost, in line with a number of hours varying from one month to the other worked on the operation, based on a time registration system covering 100 % of the working time of the employee.

F2 5 . . . . . .

[F1 6 For part-time assignments under point (b) of paragraph 4, the reimbursement of staff costs shall be calculated on a single hourly rate basis determined either by:

(i) dividing the monthly gross employment cost by the average monthly working time expressed in hours taking into account the working time as fixed in the employment document as well as fixed by law or agreements between the social partners on the relevant level; or

(ii) dividing the latest documented annual gross employment cost by 1 720 hours.

The hourly rate shall be multiplied by the number of hours actually worked on the operation.**]**

7 As regards staff costs related to individuals who, according to the employment document, work on an hourly basis, such costs shall be eligible applying the number of hours actually worked on the operation to the hourly rate agreed in the employment document based on a working time registration system.

Textual Amendments

F1 Substituted by Commission Delegated Regulation (EU) 2019/693 of 7 February 2019 amending Delegated Regulation (EU) No 481/2014 supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes.

F2 Deleted by Commission Delegated Regulation (EU) 2019/693 of 7 February 2019 amending Delegated Regulation (EU) No 481/2014 supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes.

Article 4

Office and administrative expenditure

Office and administrative expenditure shall be limited to the following elements:

(a) office rent;

(b) insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g. fire, theft insurances);

(c) utilities (e.g. electricity, heating, water);

(d) office supplies;

(e) general accounting provided inside the beneficiary organisation;

(f) archives;